

The Library of Congress
Office of the Inspector General



Audit Plan
Fiscal Year 2005

**Office of Inspector General
Library of Congress
Audit Plan – FY 2005**

Table of Contents

	<u>Page</u>
Introduction and Definitions	1
The Library’s Fiscal 2004-2008 Strategic Plan Summary	3
New Audits Summary	7
New Audit Descriptions	8-24
Carryover Audits Summary	25
Carryover Audit Descriptions	26-40

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Introduction and Definitions

This plan identifies the audits of Library of Congress programs, operations, and financial activities that we anticipate beginning or completing during the fiscal year. A one-page description of each assignment is included after the summary pages for new (page 7) and carryover (page 25) audits. The descriptions provide an overview of the audit topic and objectives and identify the type of audit. ‘New Audits’ are expected to begin in FY 2005. ‘New Audits’ may include assignments that were in last year’s audit plan but were not yet started at the beginning of FY 2005. Carryover audits are those that are in progress at the beginning of FY 2005. Given our resources and the extensive analysis required to conduct audits, this plan is somewhat ambitious; accordingly, we expect to start most, but not all, of the audits in this plan. As described in footnote 1, we may also conduct unscheduled reviews that delay starting scheduled reviews. Three unscheduled reviews were started in FY 2004: the Food Services Contract (page 32), Collections Security (page 33), and Police Management (not included in an annual audit plan because it was started subsequent to the FY 2004 plan and finished prior to the FY 2005 plan).

In the one-page descriptions, we refer to relevant Library strategic goals that each review supports. For your reference, the mission, values, and goals contained in the *Library of Congress Strategic Plan, Fiscal Years 2004-2008*, are summarized on pages 3 through 6.

The types of reviews that may be included in this plan are defined in the following paragraphs.

Attestation Engagements—Evaluations to examine, review, or apply agreed-upon procedures and report on a subject matter, or an assertion about a subject matter that is the responsibility of Library management. An assertion means any declaration about whether the subject matter is based on or in conformity with the criteria selected. The subject matter of an attestation would likely be more limited than that of an audit and could take several forms including: historical or prospective performance or condition, historical events, physical characteristics, analyses, systems and processes, or behavior. An attestation may involve projections of collection asset losses based on sampling, assertions made in a cost/benefit or breakeven analysis, validation of performance against performance measures, compliance with particular laws or regulations, evaluation of specific internal controls, or analysis of human resource issues. Some of the new audits identified in this document may be performed as attestations instead of audits. We will notify managers of any such change in an engagement memorandum before beginning the review.

Financial Audits—Assessments to provide reasonable assurance about whether the financial statements of an entity present fairly the financial position, results of operations, and cash flows

¹ Reviews conceived after an annual audit plan is published and completed before the end of a fiscal year will not appear in an annual audit plan, such as our audit of police management in FY 2004.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

in conformity with generally accepted accounting principles or other comprehensive basis for accounting.

Nonaudit Services—Professional services, other than audits and attestation engagements, that may support operations or gathering, providing, and explaining information requested by decision makers. These services may also involve providing advice or assistance to Library managers without necessarily drawing conclusions, or making recommendations. Auditors must be cautious because providing nonaudit services may jeopardize independence needed to later audit that subject area. The private sector equivalent to nonaudit services is consulting services.

Performance Audits—Assessments of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision making by parties with responsibility to oversee or initiate corrective action. These audits may focus on economy, efficiency and/or program results and include the acquisition, utilization, and security of information technology resources.

Single Audits—The Single Audit Act requires that state and local governments and nonprofit organizations expending \$500,000 or more in federal financial assistance in a single year be audited in accordance with the act and its implementing regulation, Office of Management and Budget Circular A-133. Single audits are generally conducted by either state audit agencies or private certified public accounting firms and play an integral role in the government's efforts to provide oversight and ensure accountability for federal assistance funds. As the audit oversight component for the Library of Congress, we conduct quality control reviews of single audits performed on organizations that receive most of their funding from the Library (as in the Adventure of the American Mind grant program). The objective of these reviews is to determine whether the nonfederal audit was conducted in accordance with *Generally Accepted Government Auditing Standards* and Circular A-133 requirements.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

The Library's 2004—2008 Strategic Plan Summary

Mission

The Library's mission is to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations.

Values

A. Service

Analyze our customers' needs and make every effort to meet them. Continually strive for process improvement.

Strategy: Find out what our internal and external customers need and make every effort to meet their needs, including changing our procedures and processes when necessary.

B. Quality, Effectiveness, and Excellence

Put the highest quality into every aspect of our business activities.

Strategy: Invest in our people through training and development programs to ensure a competent workforce. Make every effort to manage our programs and do our jobs with the highest standard of excellence and integrity. Every staff member (individual employee, executive, manager, supervisor, and team leader) has the right to expect every other staff member will "give his or her best effort" to every task, all of the time.

C. Innovation

Look for new and creative methods to improve our services.

Strategy: Foster an environment that encourages and rewards creativity, risk-taking, experimentation (even if these efforts are not successful), and continuous learning.

D. Fairness

Treat staff and customers with fairness, respect, and tolerance.

Strategy: Do not tolerate discrimination in any form or at any level in the organization. Every staff member is confident of receiving fair treatment from the day he or she applies for a position at the Library through the day he or she leaves Library employment. Evenhandedly encourage and celebrate good work, provide developmental opportunities to learn new skills or improve

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

performance, and refuse to tolerate poor performance and/or disruptive behavior from our subordinates or our peers.

E. Participation

Encourage involvement of all stakeholders (e.g., management, staff, customers, and partners) in the processes of planning, implementing, evaluating, and improving programs and activities.

Strategy: Promote a collaborative environment that fosters an exchange of ideas. Managers at all levels in the organization involve both staff and stakeholders in substantive ways and both management and staff strive for buy-in and successful implementation of new ideas through listening, flexibility, and keeping the interests of the Library and its mission in the forefront.

F. Communication

Communicate clearly, consistently, and openly in a timely manner.

Strategy: Share the right information, in the right format, with the right people at the right time.

Goals

Library Services

1. Build and preserve a comprehensive collection of knowledge and creativity in all formats and languages for use by the Congress and other customers.
2. Provide maximum access and facilitate effective use of the collections by the Congress and other customers.
3. Lead, promote, and support the growth and influence of the national and international library and information communities.

Office of Strategic Initiatives

4. Expand, manage, and communicate Library of Congress digital strategies and roles.
5. Manage and sustain digital content.

Law Library

6. Provide high-quality and timely legal research, analysis, and legal reference services to the Congress, the executive branch agencies, courts, the legal community, and other customers.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

7. Acquire, secure, maintain, preserve, and make accessible a comprehensive legal collection, in both analog and digital formats, for use by the Congress, executive branch agencies, courts, the legal community, and other customers.
8. Expand and enhance the Global Legal Information Network (GLIN).

Copyright Office

9. Carry out the statutory mission of the Copyright Office to administer copyright and related laws embodied in Title 17 to provide benefits to the nation.
10. Formulate and provide expert advice to the Congress, executive branch agencies, courts, and international entities in the furtherance of maintaining a strong and effective national and international copyright system.
11. Be an effective voice for the principles of copyright, which benefit the public, by providing information and informing the public debate on copyright issues.

Congressional Research Service

12. Carry out the statutory mission of the Congressional Research Service to assist the Congress as it undertakes its legislative responsibilities by providing multidisciplinary, nonpartisan, confidential, timely, and objective analysis of public policy problems and their possible solutions.

National Library Service for the Blind and Physically Handicapped

13. Ensure that a high-quality, responsive, and free national reading program is available to the nation's blind and physically handicapped people.

Revolving and Reimbursable Funds Program

14. Enhance the management and utilization of the Library's Revolving and Reimbursable funds.

*Human Resources, Workforce Diversity, Operations
Management & Training, and Other Library Units*

15. Manage Human Capital so the Library is able to attract and maintain an outstanding workforce with the skills, resources, and dedication to deliver a range of high-quality, cutting-edge services, in all the Library's program and support areas.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Library-wide

16. Create an environment that supports delivery of superior service to the Congress and the American People through effective communication and management of business and supporting processes and financial resources, and that provides a safe and healthy workplace. This goal and its objectives represent crosscutting activities that “enable” the program organizations of the Library to carry out their missions. While performance of these objectives should be transparent to the Congress and the public, the objectives are vital to serving the Library’s customers.

Information Technology Services

17. Manage and sustain mission-critical IT programs.

Office of Security and Emergency Preparedness (lead) and Library-wide

18. Provide effective security and emergency planning for the Library’s staff and visitors, collections, facilities, and other assets.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

New Audits/Nonaudit Services

Type	Name	Priority	Anticipated Start Date	Page
Performance Audits				
	Acquiring Collections	Medium	3 rd Quarter	8
	Conversion to Digital Talking Books	High	3 rd Quarter	9
	Cataloging Processes	Medium	3 rd Quarter	10
	Grants and Interagency Agreements ²	Medium	2 nd Quarter	11
	Visitor Tunnel Preparations	Medium	2 nd Quarter	12
	Transportation Services	Medium	2 nd Quarter	13
	IT Application Controls (Selected Reviews)	High	TBD	14
	Contracts (Selected Reviews)	Medium	TBD	15
	Emergency Preparedness	High	2 nd Quarter	16
	Filling Vacancies	Medium	3 rd Quarter	17
	Library/Legislative Branch Policy	Medium	1 st Quarter	18
Financial Audits				
	FY 2005 Library of Congress Financial Statements	N/A	4 th Quarter	19
	FY 2005 James Madison National Council Financial Statements	N/A	4 th Quarter	20
	FY 2005 Cooperative Acquisitions Program Revolving Fund Financial Statements	N/A	4 th Quarter	21
	FY 2005 Open World Leadership Center Financial Statements	N/A	4 th Quarter	22
	Revolving Gift and Trust Funds (Selected Reviews)	Low	As needed	23
Nonaudit Services				
	Quality Control Reviews of Single Audits of Grant Recipients	Medium	2 nd Quarter	24

² We began an audit of the Adventure of the American Mind grant in FY 2002 and issued a report in March 2003. FY 2005 activity may include any other grants to the Education and Research Consortium of Western North Carolina (ERC) such as the Telecom grant, or others administered by the Library, such as the FY 2004 grants issued for the National Digital Information Infrastructure and Preservation Program.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: Acquiring Collections

Program Area: Library Services

Activity Description: The Library of Congress acquires, preserves, and makes available its collections for the Congress and the American people. The acquisition portion of this activity involves adding numerous quantities of materials to the collections. The Library obtains material by purchase, exchange, gift, transfer, the Cataloging in Publication program, and copyright deposit. There are also exchanges with libraries and other organizations in this country and abroad; transfers from local, state, and federal agencies; and receipts from commercial vendors, individuals, and publishers. Thousands of items (books, serials, CD-ROMs, microforms, etc.) are received each working day. Copyright deposits make up the core of the collections, particularly those in the map, music, motion picture, and prints and photographs divisions.

Audit Type and Objectives: This is a performance audit that will focus on the acquisition policy for adding to the collections. We will determine whether acquisition policies meet the Library's needs and whether processing of selected incoming materials is efficient and effective.

Related Strategic Plan Goals and Objectives: Goal 1, Objectives 1 and 5, to select and acquire a universal collection and to partner with others to extend the collections; Goal 2, Objective 1, to facilitate use of the collections; Goal 3, Objective 3, to promote collaboration within the library community; and Goal 4, Objective 1, to work with other stakeholders on collecting priorities.

Importance/Justification: This audit is about economy and efficiency in building the Library's collections. There could be a substantial negative impact on resources needed to acquire, process, store, and protect collection items if there is unnecessary acquisition or retention of materials, or if there is inefficiency in processing acquisitions. Do we need to acquire as much analog material as before? Is there duplication in the Library's acquisitions? Are we duplicating acquisition formats, and if so, what is the impact? Do we need to retain collection items that are available in more accessible formats? What are the impacts of our acquisition policy on funding, staffing, and collection storage facilities? We will explore answers to these questions and more with the intent of offering management useful recommendations to confirm or alter the focus of the Library's acquisition policy.

FY Quarter Start: 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Conversion to Digital Talking Books*

Program Area: Library Services (National Library Service for the Blind and Physically Handicapped [NLS])

Activity Description: NLS signed a 5-year contract in April 2003 for additional analog cassette playback machines needed to transition into the digital machine line anticipated for 2008.

Audit Type and Objectives: This will be a performance audit with the broad objective of determining whether adequate planning (determination of requirements, research/development, budgeting, project management, etc.) is underway to ensure adequate lead times to mitigate the risks of introducing new technology and all the related operations and maintenance activities.

Related Strategic Plan Goals and Objectives: Goal 13, Objectives 3 and 5, to provide reliable digital reading equipment (new technology) and reading materials in digital format and provide national guidance and support to network libraries and agencies serving the blind and physically handicapped. Also Goal 16: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: Talking book playback machine purchases represent more than \$10 million in annual expenditures, by far the Library's largest non-reimbursable expenditure outside of salaries and benefits.

FY Quarter Start: 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Cataloging Processes*

Program Area: Library Services

Activity Description: Cataloging is the process of creating information that describes bibliographic items in terms of their form and content. Library of Congress cataloging focuses on items of interest to the U.S. Congress and we share our cataloging information with other libraries that acquire many of the same materials. The cataloging process includes a physical description of items and the provision of access points. These are controlled forms of names, titles, subjects, and classification selected for each item. Libraries rely on predetermined criteria to control the various cataloging attributes of items. Due to the size and breadth of its collections, the Library of Congress plays a leadership role in the development of standards for libraries. Work related to this is integrated into the cataloging process and represents part of our contribution to the nation. Library cataloging divisions employ about 550 people. This staff is divided into teams that handle materials in specific subject areas or languages, and in some cases, physical formats (e.g., motion pictures). Certain programs such as the Cataloging-in-Publication program, whereby printed items are cataloged before publication, exist across divisional lines. The Library handles materials in about 450 languages. The sale of our cataloging products goes back more than 100 years. The Library established a variety of cooperative projects to reduce the cost of cataloging and share resources. Cataloging makes use of many automated tools to increase productivity and reduce costs, which has increased output to more than 300,000 records per year.

Audit Type and Objectives: This is a performance audit to evaluate the efficiency and effectiveness of cataloging operations with emphasis on processes and productivity.

Related Strategic Plan Goals & Objectives: Goal 1, Objective 2, to maintain bibliographic control of collection materials; and Goal 2, Objective 1, to organize, describe, evaluate, and interpret the collections to facilitate their understanding and use.

Importance/Justification: Due to our changing environment, many manual and labor intensive processes of the past are being replaced by automated processes. In addition, new techniques for creating cataloging information, particularly for electronic resources, could be implemented to increase and enhance cataloging. While the cataloging divisions are already improving efficiency and increasing productivity through automation, particularly in the areas of automated searching and merging of existing cataloging data into the Library's databases, additional improvements could result from an examination of how resources are being deployed. The complex work flows and infrastructure of the cataloging divisions need to be examined to see if changes can be made to improve efficiency and increase even more the number of bibliographic items that can be acquired and cataloged. There may also be opportunities to enhance individual performance standards.

FY Quarter Start: 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Grants and Interagency Agreements*

Program Area: National Digital Information Infrastructure and Preservation Program

Activity Description: In 2001, the Library took on the new role of managing grants with Congressional funding of the Adventure of the American Mind program. The grant program has accounted for about \$38 million in congressional appropriations. Congress also appropriated \$14.2 million in a related grant for developing high-speed data transmission between the Library of Congress and educational facilities, libraries, or networks serving western North Carolina. The project was named "The North Carolina Telecommunications Project." The grantee for these two projects, the Education and Research Consortium, is a nonprofit corporation organized to conduct charitable and educational activities, including these Library-administered projects.

The Library also issued a \$600,000 grant to the University of California to digitize archival materials relating to ethnic groups in California, including the Japanese-Americans relocated during WWII, and signed an interagency agreement with West Point for \$1 million.

Audit Type and Objectives: These grants and agreements may be split into separate performance audits. The objective of individual audits is to determine whether: (1) expenditures are in compliance with all applicable laws and regulations, (2) the grant funds are used to achieve program goals; and (3) the grantees are adequately performing their fiduciary duties. The audit(s) will cover the initial grant award period through the current period.

Related Strategic Plan Goals and Objectives: The audit(s) support the Library's overall mission statement and Goal 4, Objective 4, requiring a communications strategy that raises awareness of the Library's digital content. Also Goal 16: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: This is a high-risk area based on the large amount of appropriated money, and because of our significant prior findings relating to Library grants. (See OIG Report numbers 2000-EXG-NDL-019, 2002-CA-101, and 2002-CA-201).

FY Quarter Start: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Visitor Tunnel Preparations*

Program Area: Library Services and Integrated Support Services

Activity Description: The Visitor Services Office is the Library's welcome center for its constituencies including Members of Congress, important guests, and the general public. To meet and greet its more than one million annual visitors, the office operates and maintains the Library's Visitors' Center, which includes two information desks, eight interactive computer terminals that provide general information and access to the online catalog, and the Visitors' Theater. To accomplish its work, the office relies on the service of approximately 170 volunteers, including Library staff. Currently under construction and scheduled to open in March 2006 is the Capitol Visitors' Center. The Center is being connected to the Library's Thomas Jefferson building via an underground tunnel.

Audit Type and Objectives: This is a performance audit to determine whether preparations needing long lead-times are being planned and executed to prepare for opening the tunnel to the public.

Related Strategic Plan Goals and Objectives: This audit relates to the Mission of the Library to make its resources available and useful to the American people; its Values of analyzing and meeting customer needs, looking for new and creative methods to improve services, and treating customers with fairness, respect, and tolerance; and to Goal 16, Objective 1, to improve communications with the American public to increase awareness of the Library's products and services.

Importance/Justification: Opening the Capitol Visitors' Center could dramatically increase the number of visitors to the Library. Inadequate facility, staffing, and training preparations could mean delayed tunnel access to the Jefferson Building from the Capitol, and/or the inability of Visitor Services staff to handle the increased workload, resulting in degradation of the public service that is so heavily emphasized in the Library's Strategic Plan.

FY Quarter Start: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Transportation Services*

Program Area: Integrated Support Services

Activity Description: The Transportation Services Unit manages the Library's fleet of 15 cars, vans, and buses and provides regular shuttle service to Taylor Street and Landover annexes, as well as driver services.

Audit Type and Objectives: This is a performance audit to determine whether (1) the Library has the appropriate number and type of vehicles, (2) the transportation program is well managed, and (3) it is cost effective for the Library to perform transportation services internally.

Related Strategic Plan Goals and Objectives: This audit supports Goal 16, Objective 5, to evaluate current operations and delivery of services to identify activities that may be more effectively performed by the private sector; Objective 7, to provide an environment that supports and enhances the efficiency of Library staff; and Objective 8, to provide effective transportation services.

Importance/Justification: Audits in other federal agencies have identified substantial waste and inefficiency in transportation programs ranging from acquiring vehicles that are not needed to ineffective maintenance that endangers the safety of government employees using vehicles for government business. This audit also addresses recent congressional inquiry about contracting out services.

FY Quarter Start: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Information Technology Application Controls (Selected Reviews)*

Program Area: Library-wide

Activity Description: An application refers to the use of information resources (information and information technology) to satisfy a specific set of user requirements. There are numerous computer applications that support the Library's varied business processes, activities, and programs. Information Technology Services (ITS) identified 21 critical systems and there are many others (we are not aware of a complete and current inventory of the Library's applications).

Audit Type and Objectives: This is a series of performance audits of the various applications/systems within the Library. Selected information systems will be determined. The audits may include:

- **Management Controls:** Risk management, review of security controls, life cycle, certification and accreditation, and security plans.
- **Operational Controls:** Personnel security; physical and environmental protection; production and input/output controls; contingency planning; hardware and software maintenance; data integrity; documentation; security awareness, training, and education; and incident response capability.
- **Technical Controls:** Identification and authentication; logical access; and audit trails.

Related Strategic Plan Goal and Objectives: The Library's overall mission statement and Goal 17, Objectives 1 thru 3, to plan and design, implement, and maintain mission-critical systems to sustain the Library's operations. An important aspect of these activities is planning, developing, testing, implementing, and maintaining effective security controls and effective life-cycle management of systems.

Importance/Justification: There are long-standing Library-wide weaknesses in IT security. Security weaknesses grow increasingly important with initiation of the Library's new \$175 million National Digital Information Infrastructure and Preservation Program (NDIIPP) and new Web-based central financial and time/attendance systems. With NDIIPP, the Library is becoming even more dependent on electronic information that can be intentionally or unintentionally modified, interrupted, or destroyed. At the same time, new threats to electronic information are constantly being introduced via the Web. While we commend recent efforts of ITS to strengthen the Library's IT security program, the National Academy of Sciences identified IT security weaknesses as the most serious infrastructure problem facing the Library.

FY Quarter Start: TBD

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Contracts (Selected Reviews)*

Program Areas: Contracting Office, Service Units responsible for selected contracts, Office of the Chief Financial Officer, and Office of General Counsel

Activity Description: Library policy is to follow the Federal Acquisition Regulation and the Federal Information Resources Management Regulation in the acquisition of supplies and services unless an exception is determined to be in the Library's best interest. The Chief of the Contracting Office is responsible for ensuring that the acquisition of supplies and services is executed in accordance with applicable regulations, making exception determinations, and establishing policies and procedures as appropriate. In addition to the contracting activities by the Contracting Office, other positions in the Library have been delegated contracting authority in specific situations. The Office of General Counsel is responsible for providing legal assistance to all contracting activities in the Library. Management officials are responsible for establishing internal procedures to ensure appropriate acquisition planning, authorizing requirements, providing technical support, and ensuring adequate funding is allocated for the requirement.

Audit Type and Objectives: These are performance audits. Contracts will be chosen for review based on the type of contract, dollar amount, etc. from the open contracts listed by the Contracting Office and service units with contracting authority, or other sources. The audits will be conducted using the Defense Contract Auditing Agency Contract Audit Manual as guidance. Contract audit activities may include reviewing accounting and financial matters to assist in the negotiation, award, administration, repricing, and settlement of contracts. Audits may also include a determination of whether the Library receives full benefits for its contracting expenditures. For example, whether the Library is billed properly for telephone usage or Internet services.

Related Strategic Plan Goal & Objective: Goal 16, Objective 9, calling for a seamless, integrated, and linked acquisition system that successfully provides the full range of essential services and products.

Importance/Justification: In FY 2004 the Contracting Office completed over 4,800 contractual actions valued at approximately \$158 million. Contracts should not be considered officially closed until the contractor has submitted a release of claims and related forms, and final payment under the contract has been made. Agreed upon procedures audits have been periodically performed by DCAA as requested by the contracting officers prior to negotiation. However, no post award audits have been performed. This has left the Library vulnerable to waste, fraud, and abuse in its contracting activities.

FY Quarter Start: TBD

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Emergency Preparedness*

Program Areas: Office of Security and Emergency Preparedness

Activity Description: The Library recently reorganized the Office of Security into the Office of Security and Emergency Preparedness, shifting responsibility for emergency planning and management from the Office of Safety Services (Integrated Support Services) and elevating it to direct senior-level responsibility.

Audit Type and Objectives: This is a performance audit to determine progress in securing the interrelationships, plans, training mechanisms, and communication vehicles to provide security for Library staff and coordination with other law enforcement authorities.

Related Strategic Plan Goal & Objectives: Goal 18, Objective 4, to provide timely and effective security services by coordinating with the U.S. Capitol Police as necessary to ensure consistency and adherence to applicable standards; and Objective 5, to coordinate Library-wide emergency preparedness activities and continuity of operations planning.

Importance/Justification: Security and emergency preparedness is more important now than ever since the attacks of 9/11/2001, and the threat of terrorism is especially high on Capitol Hill. The planning and execution of safeguards is elevated to new levels as evidenced by increased screening of vehicular and pedestrian traffic in and around Library buildings. There have been several issues raised by Library staff, the Office of Compliance, and the unions about emergency preparedness including whether the Library has a well documented and appropriate plan, training of response individuals, evacuations of Library buildings, and coordination among Library units & Capitol Hill Police, etc. We will provide an independent assessment to the Librarian on the progress in addressing these issues.

FY Quarter Start: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Filling Vacancies*

Program Areas: Library-wide and Human Resources Services

Activity Description: Recruitment of staff to fill Library vacancies. It involves any Library service/infrastructure unit filling a vacancy and Human Resources Services (HRS).

Audit Type and Objectives: This is a narrow focus attestation to determine roadblocks in filling critical Library vacancies. We will utilize processing time frames already documented by HRS and determine the timeliness of processing in the service/infrastructure units.

Related Strategic Plan Goal & Objectives: Goal 15, Objective 1, to establish meaningful and measurable performance baselines for all of the Library's programs and for support functions performed by the enabling infrastructure; Objective 4, to strengthen human resource recruitment; and Objective 5, to make personnel administration responsive, efficient, and effective.

Importance/Justification: Under good circumstances it can take a very long time to fill vacancies in the federal government. A recent audit by the OIG on succession planning found that many critical vacancies take over six months to fill; some take as long as a year. HRS is leading an effort with the service/infrastructure units to streamline the hiring process to make it as efficient as possible. While it is easy to blame the rules we must follow, it could also be that recruitment is not prioritized and initiated when needed or that there are avoidable delays in job analysis, interviewing, or elsewhere. Given that there appear to be significant amounts of recent and upcoming retirements of Library staff, compounded by recent observations about a Library-wide (excluding CRS) problem with secession planning, it impels us to determine whether inefficiencies exist in the hiring process that could be overcome.

FY Quarter Start: 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Review Name: *Library/Legislative Branch Policy*

Program Area: Human Resources Services (possibly expanding to the Contracting Office)

Activity Description: This review will explore policies that the Library has adopted to manage its personnel. While these policies have not been determined to violate federal law, we have observed from hotline complaints that some Library practices are viewed by employees as unfair and contribute to low morale, increased hotline complaints, complaints made directly to Congress, increased audits/investigations by the Government Accountability Office, and the appearance of articles in newspapers that are critical of the Library and its managers. The Library's personnel policies differ in many ways to those practiced by the vast majority of federal government agencies.

We have similar concerns relating to the Library's contracting policies/practices.

Review Type and Objectives: This review will be an attestation (see page 1). We will compare the Library's policies/practices against those of other Legislative Branch agencies. Other policies/practices may be evaluated.

Related Strategic Plan Goal & Objectives: Goal 16, Objective 3, dealing with facilitation and encouragement of open communication, innovate thinking, feedback, and increased participation in the decision-making process to improve organizational performance; Objective 6, calling for a model for human capital management; and Objective 7, for promotion of diversity and equal employment opportunity and resolution of workplace disputes.

Importance/Justification: Some of the Library's policies may contribute to or create inefficiency in managing human capital. The effects from some of the policies could also be counterproductive to several of the strategic goals and objectives for managing human capital.

FY Quarter Start: 1st

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2005 Library of Congress Financial Statements*

Program Area: Office of the Chief Financial Officer and Library-wide

Activity Description: The Library's programs and operations are subject to oversight by the Joint Committee on the Library which is comprised of members of the U.S. House of Representatives and Senate. The Library relies primarily on appropriated funds to support its programs and operations. However, the Library also receives funds from other agencies for services provided under the Economy Act and other statutes, and from the public in the form of gifts and trusts. The Chief Financial Officer's Act of 1990 was enacted to improve accounting, financial management, and internal controls to assure the issuance of reliable financial information, and to deter fraud, waste, and abuse of government resources. The Library has chosen to comply with the CFO Act, which requires annual financial statements audits.

Audit Type and Objective: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit will cover the FY 2005 accounting period.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting, budgeting, disbursing, procurement, and travel services. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The audit will provide reasonable assurance that the financial statements are free of material misstatement, fulfill the requirements of the CFO Act of 1990, and will provide the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.

FY Quarter Start: 4th

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2005 Financial Statements of the James Madison National Council Fund*

Program Area: Development Office and Office of the Chief Financial Officer

Activity Description: The James Madison National Council is an advisory board of business people and philanthropists who contribute ideas, expertise, and financial support to the Library's collections and programs. The James Madison National Council Fund was initiated by the Librarian of Congress to account for the financial support, and was accepted by the Library of Congress Trust Fund Board in July 1989. A gift of \$100,000 from Robert Gwinn, chairman of the board of Encyclopedia Britannica, established the fund.

Audit Type and Objective: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit will cover the Madison Council's financial statements and activities for FY 2005.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting, budgeting, disbursing, procurement, and travel services. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The results of the financial audit are published in the Madison Council's annual report. The audit provides accountability for the funds donated by the current Madison Council members, and provides information to potential donors on the Library's use of resources.

FY Quarter Start: 4th

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2005 Financial Statements of the Cooperative Acquisitions Program Revolving Fund (CAPRF)*

Program Area: African/Asian Acquisitions, Overseas Operations Division and Office of the Chief Financial Officer

Activity Description: The mission of the Cooperative Acquisitions Program is to support advanced research and study of all aspects of the less-developed areas of the world, through the acquisition and distribution of primary research materials published in more than 40 developing nations. These materials are not otherwise readily available in the United States. Fiscal year 1998 was the first year of operation for the CAPRF. Section 207 of the Legislative Branch Appropriations for fiscal year 1998 (P.L. 105-55) established the CAPRF from the existing balances in the gift fund program. The CAPRF is authorized to acquire foreign publications and research materials on behalf of participating institutions on a cost-recovery basis.

Audit Type and Objectives: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit will cover the financial operations of the CAPRF for FY 2005.

Related Strategic Plan Goal and Objectives: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: Section 207 of the Legislative Branch Appropriations for FY 1998 (P.L. 105-55) mandated that the Library submit an annual audited financial statement for this revolving fund.

FY Quarter Start: 4th

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2005 Financial Statements of the Open World Leadership Center*

Program Area: Open World Leadership Center (an independent Federal agency housed at the Library of Congress)

Activity Description: The Open World Leadership Program was established in 1999 by Congress to bring emerging Russian political and civic leaders to the United States to meet their American counterparts to observe American style democracy and free enterprise in action. The objective was to increase mutual understanding between Russia and America supporting Russia's efforts to create a civil society. In December 2000, Congress established a permanent independent agency to house the program now known as the Open World Leadership Center at the Library of Congress. In February 2003, Congress expanded the scope of Open World to include the 11 other Freedom Support Act countries, as well as the Baltic republics, and authorized a new initiative for Russian cultural leaders.

Audit Type and Objectives: Open World relies on the Library of Congress through an interagency agreement to provide accounting services and support, financial reporting, and financial statements. The independent accounting firm of Kearney & Company will guide Open World through an auditability assessment that will provide a roadmap to a FY 2005 financial statements audit. OIG will oversee the conduct of this process and contract.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting. Also Goal 16 in general: "...effective communication and management of business and supporting processes and financial resources."

Importance/Justification: Open World's 2004 appropriation was \$13.5 million. The annual appropriation is augmented by private donations from the business and philanthropic communities. Providing independent assurance of Open World's accountability for its funds and resources is important to the continued support of Open World.

FY Quarter Start: 4th

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Revolving Gift and Trust Funds (Selected Reviews)*

Program Area: Selected Revolving Gift and Trust Funds (specific funds to be determined later)

Activity Description: In accordance with the provisions of the Trust Fund Board Act of 1925, the Library is authorized to accept gifts, bequests, or devises of property. These are to be used for the benefit of the Library, its collections, or services. In general, Gift and Trust Funds are either restricted, in which case the trust principal cannot be spent, or unrestricted, in which the principal can be spent. Donors may also impose additional restrictions, which often relate to purpose or time. Library fund managers administer and oversee the gift and trust funds to ensure they are used as directed by the donors and in accordance with the law and Library policy.

Audit Type and Objectives: This is a series of audits that the OIG may perform on the revolving gift and trust funds. The objectives of the audits are to determine whether: (1) financial information is accurate and complete; (2) expenditures are in compliance with all applicable laws and regulations, and (3) the fund manager adequately performs his or her fiduciary duties. Audits will usually cover the last three fiscal years.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The Library operates five gift revolving funds. During fiscal year 2004, 101 trust funds and 131 gift funds were administered with a combined asset value of approximately \$241 million. Library fund managers administer and oversee the gift and trust funds to ensure that they are used as directed by the donors and in accordance with Library policy. Utilizing a portion of our audit resources periodically to review selected gift and trust funds will ensure that gift and trust funds are properly managed and that financial information about the funds is fairly presented.

FY Quarter Start: As requested/needed.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Review Name: *Quality Control Reviews of Single Audits of Grant Recipients*

Program Area: Office of Strategic Initiatives and Grants Office

Activity Description: The Library manages the “Adventure of the American Mind” grant program. The Single Audit Act requires that state and local governments and non profit organizations expending \$500,000 or more in federal financial assistance in a single year be audited in accordance with the act and its implementing regulations, (specifically, Office of Management and Budget Circular A-133). Single audits are generally conducted by either state audit agencies or private certified public accounting firms and play an integral role in the government’s efforts to provide oversight and ensure accountability for federal assistance funds. As the audit oversight component for the Library of Congress, we will conduct quality control reviews of single audits performed on organizations that receive most of their funding from the Adventure of the American Mind grant program or other Library grants.

Review Type and Objectives: We categorize these reviews as ‘Nonaudit Services’ and will ensure through the reviews that federally funded audits of the grant recipients comply with government auditing standards and appropriately assess internal controls and focus on accountability for spending federal funds.

Related Strategic Plan Goal and Objective: Goal 16 in general: ...effective management of business and supporting processes and financial resources.

Importance/Justification: Through the Library, this grant program has supplied about \$38 million since FY 2000 in federal funds to recipients. These reviews will help ensure that recipients use these funds for the purpose Congress intended.

FY Quarter Start: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Carryover Audits/Nonaudit Services

Type	Name	Estimated Finish Date	Page
Performance Audits			
	Inventory/Equipment Management	2 nd Quarter	26
	Transit Subsidy Program	1 st Quarter	27
	Utilization, Renovation, and Redesign of Space	2 nd Quarter	28
	Base Funding	4 th Quarter	29
	Succession Planning	2 nd Quarter	30
	Management Control Program	3 rd Quarter	31
	Food Service Contract	2 nd Quarter	32
	Collections Security	1 st Quarter	33
	NDIIPP (long-term monitoring)	Additional Review in 3 rd Quarter	34
	IT Security (long-term monitoring)	Monitoring Throughout the Fiscal Year	35
	Federal Financial System Replacement (long-term monitoring)	Ongoing	36
	Copyright Reengineering and IT Initiative (long-term monitoring)	Additional Review in 3 rd Quarter	37
Financial Audits			
	FY 2004 Library of Congress Financial Statements	2 nd Quarter	38
	FY 2004 James Madison National Council Financial Statements	2 nd Quarter	39
	FY 2004 Cooperative Acquisitions Program Revolving Fund Financial Statements	2 nd Quarter	40
Nonaudit Services			
	None		

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Inventory/Equipment Management*

Program Area: Integrated Support Services (ISS)

Activity Description: ISS manages over 100,000 of the Library's assets of serialized personal property valued at over \$200 million. The responsibility for this property includes reutilization, storage, and disposal; the supply store, and the School Donation Program; the Property Custodian's Program; warehousing and receiving; and reimbursable supply operations.

Audit Type and Objectives: This is a performance audit to determine the economy and efficiency of logistics operations. We are evaluating compliance with laws and regulations, determining the adequacy of ISS policy, and determining whether internal controls are adequately designed and functioning. Based on CRS' response to the draft audit plan, we are considering the merits of developing a standard annual vulnerability assessment questionnaire for inventory/management controls and a standard Detailed Control Review Questionnaire tool to be used in the Office of Management and Training's Management Control Program.

Related Strategic Plan Goal and Objective: Goal 16, Objective 10, to provide timely and efficient facilities support for staff and collections. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: ISS manages assets representing nearly half the Library's annual appropriations. Any efficiencies or economies gained (such as more efficient use of warehouse space) could result in funds to be put to better use elsewhere in the Library.

FY Quarter Finish: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Transit Subsidy Program*

Program Area: Library-wide

Activity Description: The Transit Subsidy Program involves a transit-fare subsidy offered by the Library to encourage the use of public mass transportation while commuting to and from work. Such transportation includes Metrobus, Metrorail, county and commercial commuter buses, MARC and VRE trains, and qualified commercial vanpools.

Audit Type and Objectives: This is a performance audit that is evaluating compliance with federal and Library policy, and GAO criteria on internal controls. We are evaluating Library payments to the Department of Transportation, eligibility requirements for participation, the distribution process, and existence and effectiveness of internal controls.

Related Strategic Plan Goal and Objective: This audit supports the Library's overall mission statement and Goal 16, Objective 5, concerning responsive, efficient, and effective personnel administration. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The subsidy can be converted to cash and is highly susceptible to fraud.

FY Quarter Finish: 1st

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Utilization, Renovation, and Redesign of Office Space*

Program Area: Integrated Support Services and Library-wide

Activity Description: Facility Services (within ISS) plans, designs, and provides oversight of construction, alterations, and operation of the Library's physical plant, buildings, and grounds; provides interior design; and provides both long and short-term office space requirements. Facility Services provides annual project plans for Executive Committee approval. These projects are on a two-year planning cycle and are based (recently, and to varying degrees) on service unit requests (AP3s), organizational realignments, and relocations required by renovation work.

Audit Type and Objectives: This is a performance audit evaluating the effectiveness of the Library's long-term strategic work/storage space planning and management. Workspace is changing and evaluating space is more complex as a result. The Library must consider the impact of moving millions of books to the Fort Meade Center (Maryland), moving its film collections and staff to Culpepper (Virginia), the impact of technology applications to reference services, the number of staff telecommuting, and any other factors that may affect space requirements. The Library must balance all of these changes while ensuring the security of the collections, and efficiency and economy of the space it occupies. We are evaluating how well the Library is responding to these challenges. This audit builds on aspects of space planning covered in a FY 2002 audit of Facility Services.

Related Strategic Plan Goal and Objective: This audit supports Goal 16, Objective 10, concerning timely and efficient facilities support from Integrated Support Services. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: Changes over time may require shifts in operations and changes in how space is utilized. If space requirements are not regularly evaluated, changes in Library operations may not be in line with changes in allocating the Library's scarce space and there may be inefficiency and waste.

FY Quarter Finish: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Base Funding (Selected Program Reviews)*

Program Area: Library-wide

Activity Description: The Library's existing operations comprise 28 budget organizations and 414 funding codes. For example, the Office of the Librarian is a budget organization and the Office of Inspector General is one of its funding codes. For the most part, the base funding for these operations was established sometime in the past and adjusted (likely upward) as new initiatives were added, and escalated by an inflation factor. Under the Library's budget system, annual requests for new funding are required as part of the Annual Program Performance Plan (AP3) process via a management decision package (MDEP) justification for activities such as developing new systems or adding staff.

Audit Type and Objectives: These are performance audits. The audits will focus more on base funding rather than new initiatives. We will identify the Library's universe of funding codes, select a sample of codes, and evaluate the basis for funding. The evaluation method will be similar to a zero-based budget formulation process. These reviews could involve the Library's decisions to hire contractors vs. additional Library staff; whether we are handling our mail operations efficiently and economically; and the effects of shifting functions between Library units, such as time and attendance, freight management services, training, or other services that have at least partially migrated to service units, or vice versa. It could also include other changes in workload that may affect budget resources, such as automation or reengineering business processes. We will also evaluate the Library's budget process.

Related Strategic Plan Goal and Objectives: This audit supports Goal 16, Objectives 2 thru 4, for improving organizational performance; management accountability through effective controls; and integration of planning, budgeting, and performance measurement. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: Changes in operations or shifts of responsibility may require shifting budget resources. If base funding is not regularly evaluated, changes in Library operations may not be in line with the allocation of the Library's budget resources. The evaluation of base funding may identify funds that could be put to better use elsewhere in the Library. In other words, it could identify opportunities for the Executive Committee to more efficiently utilize budget resources, validate aspects of the Library's current decision making process, and contribute to methods the Executive Committee may adopt in its annual budget review and approval process.

FY Quarter Finish: 4th

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Succession Planning*

Program Areas: Library-wide with emphasis on the Research Divisions and the Cataloging Directorate.

Activity Description: Many employees have been with the Library for 30 years or more and have become very knowledgeable about the collections. However, this may become a problem in the future because many of these employees are becoming or are already eligible for retirement. Finding competent employees to replace them could be difficult, and could impact the Library's vision for the 21st century of "leading the nation in ensuring access to knowledge and information and in promoting its creative use for the Congress and its constituents."

Audit Type and Objectives: Performance audit with the objective of making sure Library managers are taking reasonable measures to ensure that there are no future skill gaps when taking into consideration expected retirements and changes to Library operations. This may include determining whether the Library is identifying and using human capital flexibility tools to help managers transition.

Related Strategic Plan Goal & Objectives: Goal 15, Objective 6, develop a model for human capital management; Objective 8, develop a skilled and competent workforce; and Objective 9, enhance the capability of future managers and supervisors to lead and manage change.

Importance/Justification: This was a high-risk area identified in KPMG's risk analysis report dated September 20, 1999. A high priority of the Library is to reduce its arrearage in cataloging. Only personnel with the knowledge of the cataloging process can assist with arrearage reduction efforts.

FY Quarter Finish: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Management Control Program*

Program Area: Office of Operations Management and Training

Activity Description: The Management Control Program was established to make Library managers aware of internal controls and risk in their operations, and to improve management of government resources. The program was modeled after the Federal Manager's Financial Integrity Act implemented in the Executive Branch in the early 1980s. The concept is to have agency managers determine and evaluate their own assessable operational components to identify weaknesses in the design and operation of internal controls. In the Executive Branch, material weaknesses are reported to the Office of Management and Budget in the agency head's annual report. The assessments are made via internal control reviews conducted by the agency's subunits that are responsible for the operational areas. At the Library, management of the program is under the Office of Operations Management and Training.

Audit Type and Objectives: This is a performance audit to evaluate program effectiveness. We are determining the value the Management Control Program adds to Library management in relation to its cost by determining whether internal control reviews have revealed significant weaknesses in operations, and whether findings have had a significant effect on the management of the Library's resources. We are comparing the program's benefits to the cost of salaries and benefits incurred by infrastructure and service unit staff and managers, and Management Control Program staff. We are also considering whether the program could be enhanced to increase its value to Library management.

Related Strategic Plan Goal: The essence of Goal 16 is to provide...superior service to the Congress and the American People through effective communication and management of business and supporting processes and financial resources.

Importance/Justification: A common theme in performance audits is to evaluate the economy and efficiency in government programs and operations. This audit will provide senior Library management with evidence of the level of effectiveness of the Management Control Program.

FY Quarter Finish: 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Food Service Contract*³

Program Areas: Integrated Support Services and the Contracting Office

Activity Description: The Library of Congress provides food service in four locations: the main cafeteria, Montpelier Dining Room, a coffee shop in the Madison Building, and a coffee shop in the Adams Building. Integrated Support Services manages the food service contract to assure service is provided and that the contractor has completed all identified tasks within established cost objectives. The original five-year contract signed in 1999 was recently extended through March 31, 2006. A 20 percent discount is provided to Library and Congressional staff. The contract requires that 2 percent of net sales be set aside in an operational reserve account. This reserve account first covers the contractor's losses, if any. Reserve account balances are then available to be used to lower the food cost to patrons frequenting the food service facilities.

Audit Type and Objectives: This is an attestation engagement to review selected aspects of the contractor's financial performance. The evaluation covers the vendor's operating statements since 1999, with a focus on the most recent year ending August 2004. The evaluation also includes an assessment of the effectiveness and adequacy of the Library's established procedures and controls over the food service contractor's financial performance.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 7, to provide a work environment that supports and enhances the safety, health, and efficiency of the Library staff. Also, Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The food service contractor serves, first and foremost, Library employees. This is the first assessment of the contractor's financial activity since the contract started in 1999. If the contractor loses money, the reserve is not available to reduce prices, and also, the prices may be increased. If the contractor earns profits, the operational reserve is available to reduce food prices.

FY Quarter Finish: 2nd

³ Although this audit is a carryover, it was conceived subsequent to issuing the FY 2004 Annual Audit Plan.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Collections Security*⁴

Program Areas: Protective Services (Office of Security and Emergency Preparedness) and Library-wide

Activity Description: Over the past several years, the Library of Congress has invested considerably in physical security for safeguarding its collections; and in 1997, began performing comprehensive risk assessments to identify significant vulnerabilities and threats to its collections. In conjunction with performing risk assessments, the Library also began to explore a sampling methodology for establishing baseline measurements for tracking trends in theft and techniques to establish baseline inventories. The Prints & Photographs Division was selected as a pilot project in 1999. In 2004, we continued to work with the Collections Security Oversight Committee and KPMG (the contractor originally hired to conduct sampling and testing) to conduct a follow-up sample of Prints & Photographs and to establish a new baseline for the Manuscript collections.

Audit Type and Objectives: This is an attestation (agreed upon procedures, see page 1) engagement. Our objective is to continue observing the existence of internal controls over collections security, measure the existence and condition of items sampled earlier, and to record the condition of newly selected items. The OIG is working closely with KPMG to learn the sampling techniques so we can continue conducting these reviews in future years.

Related Strategic Plan Goals and Objectives: This audit supports Goal 1, Objective 2, concerning securing the collections during all phases of an item's life-cycle using bibliographic, inventory, and physical controls. Also Goal 18, Objective 2, in implementing the congressionally approved Collections Security Plan.

Importance/Justification: Measurements of the effectiveness of the Library's physical security controls depend on the development of credible baselines. Conducting regular inventories and/or statistically valid random sampling efforts can create baselines capable of measuring the effectiveness of internal controls.

FY Quarter Finish: 1st

⁴ This audit was conceived subsequent to issuing the FY 2004 Annual Audit Plan.

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *National Digital Information Infrastructure and Preservation Program*

Program Area: Office of Strategic Initiatives, Library Services, and Library-wide

Activity Description: In December 2000, Congress passed a special appropriation of \$100 million (with matching requirements) for the Library to develop the National Digital Information Infrastructure and Preservation Program (NDIIPP). The program will “incorporate the digital medium for information creation, collection, and distribution into the unchanging mandate to continue to preserve, protect, and provide access to the record of human experience.” The Library developed an initial NDIIPP plan that was approved by Congress in early FY 2003.

Audit Type and Objectives: This is a performance audit evaluating the effectiveness of the Library’s long-term strategic planning for NDIIPP, and the Library-wide transition of its human and information technology resources to meet the digital age including its other information technology resources and business operations. In FY 2003 we conducted an initial fact-finding review to assess the management control framework and applicable laws and regulations. In FY 2005 we will follow up on intra-Library communication and policy development noted in 2003 and assess external coordination efforts; development of core capacities including collection development, intellectual property, business models, and preservation standards; development of the preservation architecture, and basic research.

Related Strategic Plan Goals and Objectives: Goal 4, Objectives 1 through 4, relating to expanding, managing, and communicating Library of Congress digital strategies and roles. Also Goal 5, Objective 5, concerning coordination with external partners.

Importance/Justification: NDIIPP could account for \$175 million in appropriated and matching funds and span several years. It is one of the Library’s largest and most important programs. Considering the Library’s long history using a paper-based medium to accomplish its mission, the transformation to digital medium represents a fairly rapid and major change in operations, culture, and technology. With change, especially technological change, government agencies continue to demonstrate that there is an array of impediments to complete success that may arise in several forms, such as lack of acceptance by users, technology problems, delays, and cost overruns. This audit will ensure that steps are being taken to mitigate these risks.

FY Quarter Finish: Additional Review in 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *IT Security*

Program Area: Information Technology Services (ITS) and Library-wide

Activity Description: IT security is a high-level concern in government. The challenge to the Library is how to provide the best access to its collections while continuing to protect its operational systems and sensitive information. The Library's security function is both a centralized and de-centralized program with primarily client-server systems and interconnected networks. ITS has one security officer to manage and monitor the systems under its control, and each service unit also has staff responsible for security of their systems. ITS serves as the focal point for the Library's security program as it hosts the web site and coordinates issues between service units such as security awareness and training.

Audit Type and Objectives: We are monitoring the development of the Library's IT security program. Our objectives may include various aspects of the Library-wide IT security program, as outlined in the Inspector General's July 27, 2001 memorandum to the Executive Committee, including (1) policy and procedures, (2) program management, (3) risk management, (4) life cycle planning, or (5) any other aspects not only within ITS, but throughout the Library, depending on actions taken, planned, and implemented in relation to outstanding IT security recommendations from prior audits, and ongoing efforts to develop Library-wide policy. Audit of individual systems is addressed on page 14.

Related Strategic Plan Goal and Objective: Goal 17, Objective 1, to support life cycle management (which includes security considerations in all life cycle phases).

Importance/Justification: Weaknesses in the Library's IT security program have been reported in the last seven financial statements audit reports. In addition, the LC-21: *A Digital Strategy for the Library of Congress* report based on a review by the National Academy of Sciences states, "By far the most serious infrastructure problem seen at LC was the lack of IT security. This problem needs urgent and continuous attention."

FY Quarter Finish: Ongoing

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Federal Financial System Replacement*

Program Area: Office of the Chief Financial Officer and Information Technology Services

Activity Description: The Library is replacing its aging mainframe-supported central federal financial system. The replacement process began in FY 2001 by initiating a cost/benefit and alternatives analysis comparing several possible replacement solutions. A project team was formed which included participants from each of the service units, including the OIG (in an advisory capacity).

Audit Type and Objectives: This is a performance audit involving oversight of the entire acquisition and implementation. Our participation is based on control objectives defined by the Information Systems Audit and Control Association and guidelines for federal automated information systems issued by the National Institute of Standards and Technology:

- **Project Management:** Confirming that the project is divided into manageable phases that will yield a measurable end product and that roles and responsibilities are properly assigned.
- **Systems Development Life Cycle:** Reviewing business process reengineering, requirements definition, user involvement, testing, implementation processes, and quality control over deliverables.
- **Disaster Recovery and Business Continuity Planning:** Verifying that an up-to-date business continuity plan is in place that establishes an order of priority for recovering systems and that the recovery team knows how to carry out this plan.
- **Documentation:** Assessing the adequacy of documentation for computer operations, systems software, hardware and software acquisition and maintenance, and physical and logical security.
- **Certification and Accreditation:** The Library has adopted the National Institute of Standards and Technology's guidelines for systems certification and accreditation (C&A) for newly installed systems. The first system to be subjected to this comprehensive review of security, disaster recovery, and access control will be the replacement financial system. Our scope will include an in-depth review of the C&A process.

Related Strategic Plan Goal and Objective: Goal 16, Objective 7, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting, budgeting, disbursing, procurement, and travel services.

Importance/Justification: The financial system contains the Library's core financial data that management relies on to make day-to-day decisions. Also, this system is used to prepare the annual financial statements and to track appropriations made by Congress. The new system will integrate gift funds, trust funds, and a procurement system. During FY 2005, the Library plans to implement enhanced functionality such as inventory management and fixed asset tracking.

FY Quarter Finish: Ongoing

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *Copyright Reengineering and IT Initiative*

Program Area: Copyright Office

Activity Description: The Copyright Office recently redesigned its workflow and defined the information technology (IT) requirements necessary to implement new processes. With assistance from IT procurement experts at the General Services Administration, Copyright then selected a vendor to build a new systems infrastructure. Their goal is to take advantage of the possibilities offered by state-of-the-art technology to streamline current processes.

Audit Type and Objectives: As part of our ongoing effort to be proactive in significant Library projects, we are reviewing the management, technical, and operational controls that will be built into Copyright's redesigned production systems. Our review is based on control objectives defined by the Information Systems Audit and Control Association, guidelines for federal automated information systems issued by the National Institute of Standards and Technology, and the U.S. Government Accountability Office's Business Process Reengineering Assessment Guide:

- **Project Management:** Confirming that the project is divided into manageable phases that will yield a measurable end product and roles and responsibilities are properly assigned.
- **Systems Development Life Cycle:** Review of business process reengineering, requirements definition, user involvement, testing, implementation processes, and quality control over deliverables.
- **Disaster Recovery and Business Continuity Planning:** Verifying that an up-to-date business continuity plan is in place that establishes an order of priority for recovering systems and that the recovery team knows how to carry out this plan.
- **System Security:** Confirming that the new system includes appropriate access controls and does not introduce any security holes that might compromise other systems.
- **Documentation:** An assessment of the adequacy of documentation for computer operations, systems software, hardware and software acquisition and maintenance, and physical and logical security.

Related Strategic Plan Goal and Objectives: Goal 9, Objectives 1 through 3, to provide effective systems to administer the Nation's copyright program.

Importance/Justification: The Copyright Office relies on its systems to carry out its mission as the agency of public record for the registration of claims to copyright, the recordation of documents pertaining to copyrighted works, and statutory licenses.

FY Quarter Finish: Additional Review in 3rd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2004 Library of Congress Financial Statements*

Program Area: Office of the Chief Financial Officer and Library-wide

Activity Description: The Library's programs and operations are subject to oversight by Congress' Joint Committee on the Library, comprised of members of the U.S. House of Representatives and Senate. The Library relies primarily on appropriated funds to support its programs and operations; however, it also receives funds from other agencies for services provided under the Economy Act and other statutes, and from the public in the form of gifts and trusts. The Chief Financial Officer's Act of 1990 was enacted to improve accounting, financial management, and internal controls to assure the issuance of reliable financial information and to deter fraud, waste, and abuse of Government resources. The Library has chosen to comply with the CFO Act, which requires annual financial statements audits.

Audit Type and Objective: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit covers the FY 2004 accounting period.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting, budgeting, disbursing, procurement, and travel services. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The audit will provide reasonable assurance that the financial statements are free of material misstatement, fulfill the requirements of the CFO Act of 1990, and will provide the Joint Committee on the Library and the public with information on all funds and resources provided to the Library.

FY Quarter Finish: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2004 Financial Statements of the James Madison National Council Fund*

Program Area: Development Office and Office of the Chief Financial Officer

Activity Description: The James Madison National Council is an advisory board of business people and philanthropists who contribute ideas, expertise, and financial support to the Library's collections and programs. The James Madison National Council Fund was initiated by the Librarian of Congress to account for the financial support, and accepted by the Library of Congress Trust Fund Board in July 1989. A gift of \$100,000 from Robert Gwinn, chairman of the board of Encyclopedia Britannica, established the fund.

Audit Type and Objective: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit covers the Madison Council's financial statements and activities for FY 2004.

Related Strategic Plan Goal and Objective: The audit supports Goal 16, Objective 6, to implement a modern, customer-driven/output-oriented financial management system that provides effective and efficient accounting, budgeting, disbursing, procurement, and travel services. Also Goal 16 in general: ...effective communication and management of business and supporting processes and financial resources.

Importance/Justification: The results of the financial audit are published in the Madison Council's annual report. The audit provides accountability for the funds donated by the current Madison Council members, and provides information to potential donors on the Library's use of resources.

FY Quarter Finish: 2nd

**Office of Inspector General
Library of Congress
Audit Plan - FY 2005**

Audit Name: *FY 2004 Financial Statements of the Cooperative Acquisitions Program Revolving Fund (CAPRF)*

LOC Program Areas: African/Asian Acquisitions, Overseas Operations Division, and Office of the Chief Financial Officer

Activity Description: The mission of the Cooperative Acquisitions Program is to support advanced research and study about all aspects of the less-developed areas of the world, through the acquisition and distribution of primary research materials published in more than 40 developing nations. These materials are not otherwise readily available in the United States. Fiscal year 1998 was the first year of operation for the CAPRF. Section 207 of the Legislative Branch Appropriations for fiscal year 1998 (P.L. 105-55) established the CAPRF from the existing balances in the gift fund program. The CAPRF is authorized to acquire foreign publications and research materials on behalf of participating institutions on a cost-recovery basis.

Audit Type and Objective: This is a financial audit conducted by the independent accounting firm of Kearney & Co. under contract to the OIG. The audit covers the financial operations of CAPRF for FY 2004.

Related Strategic Plan Goal and Objective: The audit supports the Library's mission and its four priorities, but more specifically relates to the Office of the Chief Financial Officer objective to improve the Library's financial framework.

Importance/Justification: Section 207 of the Legislative Branch Appropriations for fiscal year 1998 (P.L. 105-55) mandated that the Library submit an annual audited financial statement for the revolving fund.

FY Quarter Finish: 2nd